KEISER UNIVERSITY

Office of The Chancellor

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Ms. Jessica Finkel
US Department of Education
1990 K Street NW, Room 8031
Washington, DC 20006-8502

Dear Ms. Finkel,

Please allow this letter to express my deep concerns regarding Docket ID ED-2010, related to Program Integrity Issues, specifically on the topic of Incentive Compensation under Section 668.14.

It is our belief that the regulations being proposed will not allow financial aid employees, admissions officers and recruiting officials to be compensated as a strict reading of this language would not allow them to receive compensation for their work. Thus we would encourage you to clarify the proposed language and provide additional guidance on this matter.

As drafted this statute appears to apply to all levels of higher institutions and would have an enormous impact on education at all levels. It seems these statutes would also apply to employees as part of a general profit-sharing plan and captures those employees who are not directly involved with any type of financial aid or admissions activities. We do not believe that this was the Departments intent, and as such would respectfully request that the language be modified related to profit sharing.

Under our current system most of our senior management participates in a profit sharing program measured by key result areas. Currently none of these are directly related to enrollment as they are instead related to class size, student satisfaction results, placement rates, graduation rates, and bad debt. For example, academic officers can not have a direct impact on an institutions bad debt, but our team is evaluated based on this metric. Under the proposed regulations we would be forced to eliminate these incentives and replace them with a lock-step salary scale simply based on their longevity in the position. We feel that this would significantly impact the positive managerial aspects of our school.

Furthermore, a strict interpretation of this rule would eliminate all incentives which would result in a formalized salary structure based on tenure rather than performance. Currently our faculty raises are based partly on student satisfaction surveys. Under the current rules as defined in this regulation we would be prohibited from compensating faculty based on student satisfaction surveys.

It is our position that the smallest educational facilities could be hurt the most as those who utilize highly qualified, reputable firms to inform students about the benefits of their programs would not be allowed to serve as employees. Consider the fact that it would be completely inconsistent to not reward employees, or give them merit based increases as these are typically the guiding principles behind employee performance. If the goal of financial aid officers is to assist students in identifying financing opportunities when they perform the tasks admirably they should be compensated for their efforts. Employees should be compensated for their performance and the statute as drafted would lead to an unmotivated workforce placing educational institutions at risk for failure. Thus we would respectfully ask you to modify the current language on incentive compensation.

Finally, as you are aware, the Department of Education in K-12 policy has provided various proposals to use incentive compensation to create positive behaviors in administrator's approaches to improving the quality of education in the classroom. Enacting these proposals would limit all postsecondary institutions from attempting to influence positive behaviors which result in student successes.

Thank you very much for your time and attention to this important matter.

Respectfully yours,

Arthur Keiser, Ph.D.
Chancellor